

INITIAL STATEMENT OF REASONS

- a) Specific Purpose of the Regulations and Factual Basis for Determination that Regulations Are Necessary

Sections 63-102(e)(2)(C), (D), (E), and (G)

Specific Purpose:

These sections are being amended to change the word "coupons" to "benefits."

Factual Basis:

These amendments are necessary to implement 7 CFR 274.12 which requires implementation of an EBT issuance system for food stamp benefits as an alternative to issuing food stamp coupons.

Section 63-102(e)(2)(H)

Specific Purpose:

This section is being adopted to add meals purchased by eligible elderly, or homeless or disabled food stamp households under the provision of a CDSS-approved restaurant meals program to the definition of eligible food and to specify that counties shall only contract with individual restaurants that are authorized by FNS to participate in this program and serve meals at low or reduced prices.

Factual Basis:

This section is necessary to implement 7 CFR 271.2(b), 7 CFR 274.10(a)(4)(ii) and (iii), and 7 CFR 278.1(i).

Handbook Section 63-102(e)(2)(H)1.

Specific Purpose/Factual Basis:

This handbook section provides counties with the necessary procedures if they opt to participate in the restaurant meals program. These procedures include submitting to CDSS a proposal on outreach to restaurants and a draft MOU to be used with recruited restaurants. Approval of proposals is always subject to availability of state and federal funds.

## Section 63-504.72

### Specific Purpose:

This section is being amended to specify that households eligible to participate in the restaurant meals program are to receive some form of ID on which their eligibility is clearly identified.

### Factual Basis:

This amendment is necessary to implement 7 CFR 274.10(a)(4).

## Handbook Sections 63-504.723(a) and (b)

### Specific Purpose/Factual Basis:

These handbook sections are added to ensure that counties using EBT are aware that usage of stickers on EBT cards could potentially cause system problems and that usage of a separate ID card is allowed.

### b) Identification of Documents Upon Which Department Is Relying

7 CFR 271.2  
7 CFR 274.10  
7 CFR 274.12  
7 CFR 278.1

### c) Local Mandate Statement

These regulations do not impose a mandate on local agencies or school districts. There are no state-mandated local costs in this order that require reimbursement under the laws of California.

### d) Statement of Alternatives Considered

CDSS must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective and less burdensome to affected private persons than the proposed action.

CDSS must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS would lessen any adverse impact on small business.

e) Statement of Significant Adverse Economic Impact On Business

CDSS has made an initial determination that the proposed action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states because businesses have the option to participate.